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January 30, 2025

House Committee on Revenue
Oregon State Capitol
900 Court Se. NE
Salem, OR 97301

RE: Support for M5 and M50 Impacts Task Forces

Dear Chair Nathanson and Members of the House Revenue Committee,

House bills 2321, 2333, and 2335 would create task forces to study the impacts of Measure 5 and Measure 50 on disadvantaged communities, local governments, public education, and alternative revenue sources. **The City of Irrigon** strongly supports the state study impacts of Measure 5 and Measure 50 as it greatly impacts cities. Property tax reform has been a longstanding priority for cities since the passage of M5 and M50. Property taxes are the largest source of revenue for cities, with \$1.9 billion collected in FY 2023-24. Property taxes play a vital role in funding essential services and capital projects that cities provide, including police, fire, ambulance, streets, parks and more.

Measure 5 and 50 are both now more than 20 years old. Measure 5 limits the amount of revenue cities and other government entities can raise for critical services. It has led to millions of dollars of compression losses every year. Measure 50 has not allowed cities to grow with their needs, the market or inflation since property tax values can only grow 3% every year. **The City of Irrigon is currently in compression. Challenges to meet basic levels of services are greatly hindered because housing, typical development growth, does not have the capabilities for long-term revenue sustainability. Reforming property to allow for voter approved Operation Levies and recalibration of properties upon sales will contribute to fiscal sustainability without negating voter concerns of government over taxation and not system and service improvements.**

We support the Legislature diving into the impacts of M5 and M50 and stand ready to partner with the state to make meaningful property tax reform.

Respectfully,

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